

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2650 – Insurance Mandate Commission (LSB 5301 HV)

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Fiscal Note Version – New

Description

House File 2650 creates a 14-member State Health Insurance Mandate Commission to be chaired by the Iowa Commissioner of Insurance or the Commissioner's designee. The Commission will be responsible for the review and evaluation of all proposed bills that require a mandated health benefit be offered in all individual or group hospital or health care service contracts in Iowa. The Bill repeals the Commission on December 31, 2018. The Bill takes effect on enactment and requires any legislation that is on a calendar or assigned to a standing committee in either Chamber on the last day of the 2008 Legislative Session to be referred to the Commission for evaluation if the proper criteria are met.

Background

The Commission is required to provide a written report to the Speaker of the House and the President of the Senate within 45 days of receiving a request. The Bill provides for the details to be included in the report including fiscal and social impact and recommendations. The report will be considered relevant for three years and the Commission can amend any report as new information becomes available before the end of the three years. A bill that requires a review by the Commission cannot be assigned to a legislative standing committee until a report has been received by the Speaker of the House or the President of the Senate. The Iowa Commissioner of Insurance will propose a budget for the Commission for the first year of operation starting on or after July 1, 2009, and subject to the approval of the Commission.

Assumptions

- The Commission will convene to evaluate at least fifteen bills per fiscal year.
- Ten hours of external, qualified actuarial expertise will be required per review at an average cost of \$225 per hour for a total of \$33,750.
- Fourteen members will receive the General Assembly per diem rate of \$80 per day for a total of \$16,800.
- Fourteen members will travel an average of 200 miles each for fifteen meetings at \$0.39 per mile for a total estimated cost of \$16,380.
- The Insurance Division of the Department of Commerce will provide administrative support for Commission hearing, meetings, and other functions at an estimated cost of \$1,000 per fiscal year.

Fiscal Impact

House File 2650 is estimated to increase General Fund expenditures by \$67,930 for FY 2009 and subsequent fiscal years. Costs for the Commission in FY 2008 will be minimal.

Sources

Iowa Insurance Division
Legislative Services Agency

/s/ Holly M. Lyons

March 18, 2008

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
